TRADE

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units for the month with a value of $3.654 billion. Imports of light trucks were 56,908 units, with a value of $502.4 million. The value of imported trucks increased 42.67 percent in September, while shipments increased 10.58 percent.

Japanese car imports dropped 14.83 percent for the month and the value of the shipments fell 14.14 percent. Japanese truck imports were off 16.27 percent and their value was down 5.88 percent.

Japan shipped 146,261 cars to the United States in September, down from 171,722 a year ago. Truck shipments were 28,927 units, down from 34,550 units last year.

Canada posted a whopping 75.20 percent increase in shipments of passenger cars during September, sending 100,507 cars to the United States for the month as compared to 57,368 in September of last year. Canadian truck shipments increased 61.85 percent for the month to 26,798 vehicles.

South Korean shipments staged a big recovery in September by increasing 156.07 percent to 47,759 passenger cars for the month. Korean shipments had been depressed since spring. Mexico shipped 13,086 passenger cars to the United States in September, a gain of nine units from a year ago. Brazilian automakers shipped 6,121 cars to this country in September, up 84.15 percent from September 1987.

West German shipments rallied during the month, increasing 50 percent from September 1987. Swedish imports rose 5.84 percent for the month. Yugoslavia shipped 36 vehicles in September, according to the Commerce Department, compared to 1,186 cars one year ago.

Shipments from the United Kingdom were down 71.61 percent. Imports from France fell 44.82 percent for the month. Italian imports were down 70.81 percent. Car imports from "other" countries were down 29.10 percent to 1,235 vehicles.

CAFE cut tied to global warming

WASHINGTON — EPA has told NHTSA that any proposal to relax fuel efficiency standards is wrong because of the potential of increasing emissions that contribute to global warming.

But Don R. Clay, EPA assistant administrator for air and radiation, agrees with NHTSA that a one-year rollback "will not have a significant effect on global warming."

EPA's program on global warming is still in its early stages, but Clay said the agency knows that efforts to improve vehicle fuel efficiency "are likely to be a major component of any future domestic or international response to concerns about global warming."

He noted that at least two of the major bills introduced in the last Congress included specific fuel efficiency or carbon dioxide emission standards for future vehicles. "We believe that the debate on global warming will intensify in the upcoming congressional session," he said.

In response to petitions filed by General Motors, Ford Motor Co. and the Automobile Importers of America, NHTSA has proposed setting the corporate average fuel economy standard for the 1990 model year somewhere between 26.5 and 27.5 mpg. The decision is due soon.

Last October, NHTSA rolled back CAFE standards for 1989 cars from 27.5 mpg to 26.5 mpg and it was taken to court by the Natural Resources Defense Council on grounds that allowing larger engines would raise carbon dioxide levels and increase global warming.

COMMERCE

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some lost domestic market share and to take advantage of renewed export opportunities.

"However, while the dollar's reduced value has helped the domestic industry's competitive position, it threatens to mask the need for continued improvement in manufacturing efficiency and product development by the traditional U.S. manufacturers," the report said.

The outlook also maintains that due to the currency situation, it is actually cheaper to build cars in the United States than in Japan.

"Currency-driven increases in foreign-car prices appear to have eliminated the Japanese manufacturing cost advantage," the report said. "In fact, at 125 yen to the dollar, it is reportedly cheaper to manufacture a car in the United States than in Japan.

"These changes have stimulated the foreign production of Japanese-nameplate cars. The vehicles are being sold in the countries where they are produced and in export markets, including, in some cases, Japan."

The outlook also noted that currency exchange rates are having an impact on the sales position of European manufacturers.

"The fall in the value of the dollar vis-a-vis the currencies of major European automotive producers (particularly against the West German mark and the Swedish Krona) have also had their impact on the U.S. market," the Commerce Department said.

"The high-priced German and Swedish luxury cars have become even more expensive, and unit sales have declined from the levels of prior years. Furthermore, several U.S. automakers have begun to export 'niche' vehicles to Europe, including sports models, minivans and multipurpose vehicles.

"In aggregate, the exchange rate change means the geographic distinctions of competition are gone. It is now more inappropriate than ever before to characterize this industry by geographic origin.

"No longer do all U.S. manufacturers lag behind all Japanese manufacturers. The progress made by some of the traditional U.S. manufacturers is now apparent, and the inefficiencies of some of the Japanese manufacturers are also evident. The result is true firm competition," the outlook said.

If the dollar falls further against major industrial currencies, the U.S. automotive sector will continue to benefit, the Commerce Department said, adding that some component outsourcing may return home.

"However, any change in sourcing decisions based on the relative value of the yen and the dollar will not occur until the exchange rates appear to have reached some degree of stability," the report said.

Over the long term, "the industry can expect further, but slow, growth as long as the economy expands, the report concluded.

"Competitive pressure from new entrant countries and from new U.S. manufacturers will continue to grow for the foreseeable future," it said. "Over the past decade, the Japanese and other new entrant countries have raised the level of competition in this market to the point that it is now the most intense seen in more than 50 years."

OBITUARIES

Leonard E. Froslie

NORTHVILLE, Mich. — Leonard E. Froslie, 75, retired Chrysler transmission design engineer, died Dec. 22. He worked at Chrysler for 32 years before retiring in 1972.

Howard L. Hauser

INDIANAPOLIS — Howard L. Hauser, 77, former owner of Oaklandon Sales (Chevrolet) in Oaklandon, Ind., died recently. He owned the dealership for 31 years and later worked at other local dealerships.

U.S. AUTOMOTIVE TRADE BY VALUE

(x $1,000)

Passenger cars

Country	Trade	Sept. 1987	Sept. 1988	Oct. 1986-Sept. 1987	Oct. 1987-Sept. 1988
Japan	Export	$ 2,806	$ 52,236	$ 56,169	$ 205,160
	Import	1,570,554	1,348,476	21,320,635	19,691,643
Canada	Export	406,570	675,773	5,399,388	6,342,149
	Import	639,230	1,136,407	10,201,754	13,081,498
West Germany	Import	426,146	541,917	8,786,628	6,886,977
South Korea	Import	96,945	264,867	1,725,637	2,457,120
Sweden	Import	110,050	126,239	1,967,784	1,673,203
Mexico	Import	113,892	111,584	869,289	1,269,066
Yugoslavia	Import	3,112	108	282,673	100,883
United Kingdom	Import	137,996	53,930	945,859	986,324
Italy	Import	8,390	4,486	281,238	156,293
France	Import	19,906	11,854	193,820	178,174
Brazil	Import	17,000	36,196	117,557	411,595
Others	Export	29,993	89,054	718,339	1,493,296
	Import	28,919	18,302	253,200	295,733
Car total	Export	519,372	817,063	6,173,897	8,040,605
	Import	3,225,240	3,653,569	46,946,073	47,187,506
Trade balance		(2,705,868)	(2,836,506)	(40,772,176)	(39,146,903)
Light trucks (up to 10,000 lbs. GVW)					
Canada	Export	$ 178,571	$ 145,540	$ 1,466,725	$ 1,669,362
	Import	158,078	308,986	1,594,979	2,980,584
Japan	Import	188,905	177,800	4,574,923	3,240,014
Mexico	Import	430	1,301	118,709	7,515
Others	Export	4,017	14,569	168,171	344,336
	Import	4,697	16,284	47,563	159,467
Truck total	Export	182,588	160,110	1,634,897	2,013,699
	Import	352,110	502,372	6,336,174	6,387,580
Trade balance		(169,522)	(342,262)	(4,701,277)	(4,373,881)
Car and truck total	Export	701,960	977,173	7,808,794	10,054,304
	Import	3,577,350	4,155,941	53,282,247	53,575,088
VEHICLE TRADE BALANCE		(2,875,390)	(3,178,796)	(45,473,453)	(43,520,784)
TOTAL U.S. Merchandise trade (customs value)	Export	21,810,300	28,204,800	243,077,600	307,209,300
	Import	35,966,500	37,172,900	392,752,800	434,849,900
TRADE BALANCE		(14,156,200)	(8,968,100)	(149,675,200)	(127,640,600)

U.S. AUTOMOTIVE TRADE BY QUANTITY

Passenger cars

Country	Trade	Sept. 1987	Sept. 1988	Oct. 1986-Sept. 1987	Oct. 1987-Sept. 1988
Japan	Export	193	4,562	3,507	16,443
	Import	171,722	146,261	2,426,339	2,148,616
Canada	Export	47,058	68,180	552,114	621,573
	Import	57,368	100,507	948,672	1,177,168
West Germany	Import	15,476	23,206	386,392	283,285
South Korea	Import	18,651	47,759	340,790	460,043
Sweden	Import	7,410	7,843	146,713	107,994
Mexico	Import	13,077	13,086	99,832	148,016
Yugoslavia	Import	1,186	36	50,427	38,025
United Kingdom	Import	5,628	1,596	44,606	34,846
Italy	Import	394	115	21,906	6,666
France	Import	1,883	1,028	27,413	16,656
Brazil	Import	3,324	6,121	24,499	73,975
Others	Export	2,287	7,156	53,850	116,116
	Import	1,742	1,235	16,626	18,800
Car total	Export	49,538	77,898	609,471	754,132
	Import	297,841	348,797	4,528,815	4,514,090
TRADE BALANCE		(248,303)	(270,899)	(3,919,344)	(3,759,958)
Light trucks (up to 10,000 lbs. GVW)					
Canada	Export	16,741	13,962	155,378	166,333
	Import	16,557	26,798	172,327	268,120
Japan	Import	34,550	28,927	840,582	567,353
Mexico	Import	140	2	15,242	39
Others	Export	442	1,397	14,087	27,581
	Import	216	1,181	1,316	2,745
Truck total	Export	17,183	15,379	169,465	193,914
	Import	51,463	56,908	1,029,467	838,257
Trade balance		(34,280)	(41,529)	(860,002)	(644,343)
Car and truck total	Export	67,001	93,277	778,936	948,046
	Import	349,304	405,705	5,558,282	5,352,347
TRADE BALANCE		(282,303)	(312,428)	(4,779,346)	(4,404,301)

Compiled by Automotive News from official statistics of the U.S. Commerce Department, as reported by the U.S. International Trade Commission. Because of rounding, figures may not add to the totals shown.